GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:358
ANSWERED ON:22.02.2001
HEALTH OF SEBS
ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR

Will the Minister of POWER be pleased to state:

(a) whether the health of State Electricity Boards is far below the comfort level;

(b) if so, the details and the reasons therefor;

(c) the manner in which the Power Finance Corporation is helping SEBs to improve their condition;

(d) the assistance provided by Power Finance Corporation to each SEB during each of the last three years; and

(e) the extent to which the position of the SEBs improved as a result thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Yes, Sir. Most State Electricity Boards are incurring losses.A statement showing financial performance of SEBs for the year 1998-99 is enclosed at Annexure I. The primary factors responsible for losses of SEBs are as under :

(i) Theft of Power

(ii) High T&D losses

(iii) Non Commercial tariff structure which does not meet the cost of supply and involves highly subsidized power supply to certain category of consumers.

(iv) Low efficiency/PLF of thermal power plants of several SEBs.

(c) to (e) : Power Finance Corporation (PFC) provides financial and technicalassistance to SEBs with a view to encouraging reforms/restructuring of the power sector. The technical assistance includes inter alia development of system for strengthening T&D systems for loss reduction, conducting energy audit & accounting through metering, billing and collection, institutional strengthening like distribution management etc. The financial assistance extended by PFC includes counterpart funding based on investment plan of States, concessional lending for selected projects, relaxation of eligibility conditions for State Power Utilities on rate of return etc. and requirement of Operational and Financial Action Plans (OFAPs) etc.

The details of the financial assistance provided by PFC to SEBs during the last three years is at Annexure II.

The projects financed by PFC are aimed at strengthening of sub-transmission and distribution andenergy audit to eliminate theft of power etc. The assistance of PFC for reforms in the power sector isaimed at achieving rationalisation of tariff, elimination of theft of power, cash flow increase by improved metering, billing and collection efficiency, and improvement in Plant Load Factor.